

## Frequently Asked Questions (FAQs) Regarding Annexations

### Q. What would happen with special districts if governance changed?

A. Generally the status of a special district would not change with a change in governance unless the service was provided by the new government and the special district is dissolved. Below is a table describing who would be the likely service provider with a potential change in governance.

Service	Stay Unincorporated	Annex to Seattle	Annex to Burien
Fire	No Change	Seattle Fire Department	No Change
Library	No Change	Seattle Public Library	No Change
School	No Change	No Change	No Change
Utility	No Change	Seattle Public Utilities	No Change

### Q. Community and Economic Development

- How can we improve our community image?
- What would attract businesses to the corridor?
- What are economic development efforts that we could undertake?
- What grants are available?

A. Cities and counties are financial partners in economic development and can invest public funds in a limited manner to promote industrial and commercial growth, through infrastructure improvements and/or increasing the number of industrial and commercial properties through zoning. Economic development is carried out through partnerships from the state to local governments through agreements with local governments, small business development centers, port districts, community and technical colleges, private industry councils, and other development organizations, for the efficient delivery of community and economic development services in their areas.

Recently an economic development element of local comprehensive planning was required (previously it was optional), meaning that cities and counties are spending more time and energy on economic development than ever before. Cities are well-positioned to address economic development issues and there are more organizational and funding mechanisms for cities and non-profit organizations to leverage than those that exist for unincorporated areas.

The associate development organization (ADO) is defined in [RCW 43.330.010](#) and is the lead economic development agency in each county. In King County, that organization is formerly

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known as the economic development council of Seattle-King County, and now known as enterpriseSeattle (see [www.edc-sea.org](http://www.edc-sea.org)).

King County's economic development efforts are primarily in **regional** business development. The County Executive has a business development goal to retain, expand, create and recruit businesses within industry clusters that are core to the region's economic base and offer the greatest potential for growth. See [www.metrokc.gov/exec/bred/business/business.htm](http://www.metrokc.gov/exec/bred/business/business.htm). In partnership with cities, generally, chambers of commerce are the leaders of business attraction efforts.

North Highline is one of few communities where the county still supports **local** business and economic development services and programs. The King County Jobs Initiative provides vocational training, job placement, and retention services for low-income, disadvantaged adults in South King County, primarily in unincorporated White Center and West Hill (Skyway). In addition, there are several efforts focused on promoting small business development and main street improvements to the White Center community. See [www.metrokc.gov/exec/whitecenter](http://www.metrokc.gov/exec/whitecenter)

Listed below are some of the state laws that provide local government tools to spur economic development. Whatever governance option North Highline residents may choose, different options will be available.

A parking and business improvement area (PBIA) is designed to aid general economic development and to facilitate merchant and business cooperation. A PBIA is a local self-help funding mechanism that allows businesses and property owners within a defined area to establish a special assessment district. [Chapter 35.87A RCW](#)

A Community Renewal Area ([Ch. 35.81 RCW](#)) revises and updates the Urban Renewal Act to improve the ability of cities, towns, and counties (municipalities) to implement economic development projects in blighted areas. The law provides a limited form of tax increment financing, in which a city can pledge excess local excise taxes generated by business activity within the boundaries of the community renewal area to pay for bonds issued to finance public improvements of that area.

Downtown and Neighborhood Commercial Districts ([Ch. 35.100 RCW](#)) allows cities over 100,000 population to designate certain areas as "downtown" or "neighborhood commercial districts," to undertake certain kinds of revitalization activities, measure the increase in its local sales tax revenue in the areas, and spend that increase on revitalization costs, debt service on bonds issued for projects in these districts. Seattle's Department of Planning and Development has a Downtown Business District program underway.

Industrial Redevelopment Bonds ([Ch. 39.84 RCW](#)) can be issued through city or county ordinances creating public corporations "for the purpose of facilitating economic development and employment opportunities in the state of Washington through the financing of the project costs of industrial development facilities" separate from the municipality that created them. The definition of "industrial development facilities" is quite broad, and even includes public sports facilities and parking facilities. Seattle has an active Seattle Industrial Development Corporation authorized by Seattle Municipal Code [Chapter 3.116 Industrial Development Corporation](#), and King County Economic Enterprise Corporation, [King County Code, Section 2.32.210](#) is permitted but not active.

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Source: Municipal Research and Services Council. See <http://www.mrsc.org/Subjects/Econ/ed-tech.aspx> for links to technical assistance sources for economic development.

**Q. How would water, sewer, sidewalks, and streetlights be extended into my neighborhood if North Highline annexed to a city?**

**A.** It depends on the type of improvement and how much capital investment is needed.

It is very rare for a city to make major capital investments to convert infrastructure of any kind in a newly annexed area all at once. It is more likely that over time, through the annual budget and 6-year capital improvement program (CIP) that a city would save to set aside funds, or issue debt to build and maintain sidewalks and paths through a planning process and schedule of improvements. Utility capital improvements are also usually financed incrementally over time, and funding for projects comes from all utility users through water and sewer rate increases.

A financing tool that can be used to pay for capital improvements is the creation of a Local Improvement District (LID). Neighbors who gather and petition a city or utility district to extend utilities or sidewalk/street improvements may form this special assessment district to finance and pay for needed capital improvements. Assessments are paid by “benefitted properties,” or those who would benefit from the improvements. In essence, a specific group of neighbors are electing to tax themselves to receive the benefits of an improvement to their property.

LID processes lead, ultimately, to the sale of bonds to investors and the retirement of those bonds through annual payments of the property owners. LIDs have two goals: assess property owners fairly in relation to the special benefit they will receive, and offer an attractive bond portfolio to investors.

State law says that the cost or assessment per parcel cannot be more than the benefit of the improvement to that parcel. If an appraiser estimates that a proposed improvement, such as a sanitary sewer system, would only increase a property's value by \$1,500, then an assessment greater than \$1,500 on that property would not be considered in forming an LID.

LIDs can be formed in two ways. One is initiated by a city council, and another is the petition method allowing property owners to petition the city to initiate an LID. The city must gauge citizen support; hold informational meetings; advertise the formation of the district; allow for protest periods and options for deferral for low-income and senior citizens; and ultimately, approve the LID creation through city ordinance.

A Utility LID (ULID) is similar to an LID for a utility improvement such as water or sewer projects. The difference between ULIDs and LIDs is that, in addition to the assessments on the benefitting properties, utility revenues are also pledged to the repayment of the ULID debt.

Source: Municipal Research Services Council and Skyway Water and Sewer District

**Q. What are differences in city and county ordinances for business regulations?**

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**A.** All persons engaging in business activity in the City of Seattle and the City of Burien are required to obtain a business license. If a business is located in unincorporated King County, a county business license is required only if the business engages in a regulated activity. Examples of regulated activities are amusement parks and places, amusement devices, bowling alleys, carnivals, go-cart tracks, skating rinks, video games, pool tables, outdoor and indoor entertainment, dances, adult entertainment establishments, massage and bathhouse businesses, process servers, secondhand dealers, pawnshops, charitable organizations, taxicabs and drivers, pet shops, kennels, grooming businesses, or theaters.

All businesses that require business licenses are required to fill out an application and file it along with a fee at their local government offices. Below is some specific information on King County, City of Seattle and City of Burien business regulations:

### **King County:**

- Business license fees vary, according to the type of business activity. License fees are established by ordinance by the King County Council. Current license fees can be found in King County Code Title 6.
- For more information please visit:  
<http://www.metrokc.gov/ddes/business/index.shtm>

### **Seattle:**

- The license is issued for a calendar year and must be renewed every year by Dec. 31.
- Standard business license fee for 2005 is \$90 and \$10 for each additional branch location.
- Business & Occupation Tax (B&O): gross income of the business multiplied by 0.215%; 0.415% for service-related industries.
- For more information please visit:  
<http://www.cityofseattle.net/rca/licenses/Licmain.htm>

### **Burien:**

- Business License is valid from August 1 through July 31.
- Cost for retail business with gross receipts of \$250,000 and fewer than 40 employees:
  - Standard business license fee \$90/year.
  - Business & Occupation Tax (B&O): \$75/year.
- For more information please visit:  
<http://www.ci.burien.wa.us/business/StartingABusiness.htm>

*Source: city and county websites, interviews with local government staff and The Future of North Highline, July 2005 flier.*